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September 9, 2005

Honorable James H. Welsh Commissioner of Conservation State of Louisiana Post Office Box 44275 Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Hosston Formation and Hosston L Sand, SIMSBORO FIELD, Lincoln Parish, Louisiana.

Dear Sir:

SUNLAND PRODUCTION COMPANY, INC. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston Formation and to the Hosston L Sand, in the Simsboro Field, Lincoln Parish, Louisiana:

- 1. To redefine the Hosston Formation in the Simsboro Field, Lincoln Parish, Louisiana, INSOFAR AND ONLY INSOFAR AS TO HOSS SUB (as shown on an attached plat), as being the stratigraphic equivalent of that gas and condensate bearing interval encountered between the depths of 6,480 feet and 9,610 feet (electric log measurements) in the Tensas Delta Expl. Co., LLC--Freudendorf et al No. 2 Well, located in Section 14, Township 17 North, Range 4 West, Lincoln Parish, Louisiana, less and except the Gardner Sand of the Hosston Formation and the Hosston L Sand, as defined in Office of Conservation Order No. 222, effective December 4, 1951.
- 2. To confirm and continue in full force and effect the unit designated HOSS SUB as to the Hosston Formation as redefined.
- 3. To permit Applicant to drill, designate and utilize an additional alternate unit well for HOSS SUB and for HOSS L SU25 at the location shown on the attached plats, in exception to the spacing provisions of Office of Conservation Order No. 222, effective December 4, 1951.
- 4. To find that the proposed additional alternate unit well is necessary to efficiently and economically drain a portion of the Hosston Formation underlying HOSS SUB, and a portion of the Hosston L Sand underlying HOSS L SU25, which cannot be efficiently and economically drained by any existing well within these units.
- 5. To permit the operator of HOSS SUB and of HOSS L SU25 to produce the allowables assigned to these units from either the unit well, any alternate unit well, or from any combination of such wells, at the option of the operator.
  - 6. To discuss such other matters as may be pertinent.

The Hosston Formation in the Simsboro Field, Lincoln Parish, Louisiana, is currently defined in Office of Conservation No. 222-1, effective September 1, 1957.

dls/app/simsboro.application.wpd

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The Hosston L Sand in the Simsboro Field, Lincoln Parish, Louisiana, was defined in Office of Conservation Order No. 222, effective December 4, 1951.

Pertinent data concerning this application is available for inspection at the offices of Sunland Production Company, Inc., 416 Travis Street, Suite 1404, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Mr. Don Easterwood at (318) 222-3538 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

By letter dated August 26, 2005, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and set September 21, 2005, as the tentative date for the pre-application conference. No request for the pre-application conference was received within ten (10) days after the date of said letter; accordingly, no pre-application conference was held.

Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of the unit plats (which are identical to the unit plats attached to the preapplication notice, except for a slight movement of the location for the proposed alternate unit well) is enclosed herewith, and a copy of this letter, and of the attached plats, is being sent to the District Manager of the Shreveport District of the Office of Conservation and to each of the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and of the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Elm Grove Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

David L. Smelley

Attorney for Sunland Production Company, Inc.

DLS:dp Enclosures

cc: Mr. Jim Broussard (w/encls.)

Mr. Don Easterwood (w/encls.) Mr. Joe B. Adams (w/encls.) Interested Owners, Represented

Parties and Interested Parties (w/plats only)



